

I still feel overqualified for my job

by Susan Crompton

Many agree that education is important for both individual well-being and economic prosperity. To survive in today's knowledge-based economy, people must be well educated and willing to continually update their skills. Indeed, over the last 25 years, the percentage of the adult population with a university degree has more than doubled. Yet, many highly educated people, particularly if they are young, feel overqualified for their job.

Overqualification concerns both workers and employers because people who hold jobs that make few demands on their skills have lower earnings and lower levels of productivity.¹ Overqualified workers may be less satisfied and more frustrated with their jobs, be absent more frequently and be more likely to quit.² This article uses the 2000 General Social Survey (GSS) to revisit the issue of job overqualification at the zenith of an economic expansion, focusing on workers aged 20 to 64 with postsecondary qualifications. (An earlier study, using similar concepts, looked at overqualification in 1994, a time when Canadians were coming out of the recession of the early 1990s.³)

While other studies have examined the mismatch between the education requirements of jobs and the qualifications of workers in those jobs, this study includes two other situations that can lead to people feeling

overqualified. The first occurs when the education and/or experience of the worker match the *stated* requirements of the employer, but the *actual* skills needed to do the job are lower. The second arises when the worker's education and experience match both the employer's stated and the job's actual skill requirements, but the worker is not happy because of other reasons such as wages, erratic employment or terms of employment.

Slightly more people feel overqualified in 2000 than in 1994

In 2000, almost 5.7 million employed Canadians aged 20 to 64 had a university or college degree, certificate or diploma. Some 25% of them — nearly 1.4 million — felt overqualified, compared with 22% in 1994. The percentage of postsecondary workers who felt overqualified increased despite solid gains in the economy and an aging work force, two factors that usually contribute to decreasing

overqualification rates.⁴ Furthermore, those who felt overqualified in 2000 did so regardless of whether they held degrees at the doctorate, master's or bachelor's level or a college diploma. In contrast, in 1994, workers with master's, doctoral or first professional degrees (27%) were more likely than those with college credentials (21%) to feel they were overqualified for their job.

In 2000, equal percentages of men and women felt overqualified (25%) compared with 26% of women and 20% of men in 1994. While there was little change in the percentage of women postsecondary workers feeling overqualified, men — particularly young men — were more likely to feel this way in 2000.

Young workers may have more reasons to feel overqualified

In 2000, young workers aged 20 to 29 with postsecondary credentials were more likely to feel overqualified for

1. Frenette, M. Spring 2001. "Overqualified? Recent graduates, employer needs." *Perspectives on Labour and Income* (Statistics Canada Catalogue no. 75-001-XPE) 13, 1: 45-53.
2. Hersch, J. 1991. "Education match and job match." *Review of Economics and Statistics* 75, 1: 140-145; Feldman, D. 1996. "The nature, antecedents and consequences of under-employment." *Journal of Management* 22, 3: 395-396.
3. Kelly, K., L. Howatson-Leo and W. Clark. Winter 1997. "I feel overqualified for my job..." *Canadian Social Trends*. p.11-16.
4. Low unemployment rates and high GDP growth rates reflected the robust economic growth in 1999–2000. In 2000, the unemployment rate for 25- to 54-year-olds with a postsecondary certificate or diploma or university degree reached a 10-year low of 4.5% compared with 7.3% in 1994.

The 2000 General Social Survey (GSS) surveyed about 25,000 respondents in private households in the 10 provinces. Respondents self-identified themselves as overqualified for their job by responding to the question: “Considering your experience, education and training, do you feel that you are overqualified for your job?”

This study examines individuals aged 20 to 64 with a postsecondary qualification whose main activity during the previous 12 months was working at a paid job or business. Postsecondary qualifications include earned doctoral, master’s, bachelor’s and first professional degrees; graduate and undergraduate university certificates and diplomas; and community college/CEGEP certificates and diplomas, and postsecondary level certificates and diplomas from similar institutions. Excluded are trade/vocational certificates and diplomas. “Postsecondary workers” or “highly educated workers” are terms used throughout the text to refer to this group. About 5,500 responses representing a

population of 5.7 million postsecondary workers were included in this study.

The original 1994 data published in 1997 referred to the population with postsecondary qualifications who had a job the week before they were surveyed. This differs slightly from the population covered for overqualification in 2000. The 1994 numbers presented in this study have been recalculated to cover the same population as the 2000 data.

Work stress score: The number of areas in people’s work environment that caused them excess worry or stress in the past 12 months. The score ranges from a low of 0 to a maximum of 8, counting the number of “yes” responses to the following statements: 1) too many demands or too many hours; 2) risk of accident or injury; 3) poor interpersonal relations; 4) threat of layoff or job loss; 5) having to learn new computer skills; 6) financial concerns; 7) not enough working hours; 8) anything else.

their jobs (33%) than their counterparts aged 30 to 64 (23%). Several reasons may account for this phenomenon. First, labour market researchers suggest that over-educated workers have less work experience than those whose schooling matches the job’s educational requirements. As such, they may accept work that is not commensurate with their education, skills or knowledge in the hope that, once they have more experience, they will progress to higher level jobs.⁵

Second, younger workers are still finding their way in the labour market, trying out different employers, sometimes landing jobs that are not what they had expected. Over time, workers may become more skilled at finding the “right” job for them, and thus become less likely to feel overqualified.

Finally, when young graduates first start working, they may be very achievement-oriented. The most important aspects of their job are

factors like the intellectual challenge, the opportunity for promotion and having responsibility and authority. Given these expectations, some young people may be disappointed by the reality of their first few years in the workforce. After some years of experience, however, other factors related to quality of life — like time, benefits and family — become increasingly important and may change their view of their job.⁶

Postsecondary graduates more likely to feel overqualified in blue-collar jobs

Feeling overqualified seems to be associated with a mismatch between the education and experience of the worker and the skill requirements of the job. Those who work in jobs closely related to their studies were much less likely to feel overqualified than workers in unrelated jobs. Because postsecondary education trains people for management, professional or semi-professional

jobs, those who work in these types of jobs are less likely to feel overqualified than postsecondary graduates who work in blue-collar or clerical, sales and services jobs.

On the other hand, some studies conducted in the 1990s have suggested that people with higher educational qualifications than their jobs require may have lower levels of cognitive skills than their peers in appropriately matched jobs.⁷ They may still consider themselves overqualified because they have the same expectations of a good

5. Boothby. 2002. *Literacy Skills, Occupational Assignment and the Returns to Over- and Under-education* (Statistics Canada Catalogue no. 89-552-MPE, no. 9. Statistics Canada and Human Resources Development Canada). Ottawa: Minister of Industry. p. 11.

6. Kelly, Howatson-Leo and Clark. 1997. p. 15.

7. Boothby. 2002. p. 11.

	1994	2000
	% who feel overqualified for their job	
Total	22	25
Sex		
Men	20	25
Women	26	25
Level of degree, certificate or diploma		
College	21	25
Bachelor's or undergraduate	23	25
Doctorate, master's, first professional or other graduate	27	25
Age		
20–29	30	33
30–34	26	26
35–44	19	24
45–54	20	21
55–64	18	18
Men		
20–29	25	35
30–44	20	26
45–64	17	20
Women		
20–29	34	31
30–44	23	24
45–64	23	21
Provinces		
Atlantic Canada	18	23
Newfoundland and Labrador	--	15
Prince Edward Island	--	27
Nova Scotia	--	27
New Brunswick	--	23
Quebec	18	21
Ontario	26	27
Prairies	18	22
Manitoba	--	22
Saskatchewan	--	17
Alberta	19	24
British Columbia	30	31

-- Sample too small to provide reliable estimate.

Note: Includes people aged 20 to 64 with a postsecondary degree, certificate or diploma whose main activity during the previous 12 months was working.

Source: Statistics Canada, General Social Survey, 2000.

job as their peers, but they don't recognize their lower cognitive skills.

Changes in work environments may also contribute to how challenging workers feel their job is. According to the 2000 GSS, about one in four highly educated workers said their jobs had been hardly or not at all affected by the introduction of computers and automated technology over the past five years, while one in two reported that their jobs were greatly affected. Individuals whose jobs had been hardly or not at all affected were much more likely to feel overqualified (31%) than those whose jobs were greatly affected (22%) by automation. Not surprisingly, blue-collar and sales and services jobs were least affected by the introduction of automation or computers over the last five years — 41% of postsecondary workers in these types of jobs reported hardly any or no such change to their work.

Feeling overqualified also appears to be associated with having more job stress, less job security and lower earnings. According to the 2000 GSS, about 13% of postsecondary workers had a work stress score of three or higher and 9% felt it was very or somewhat likely that they would be laid off in the next year. While overall 25% of postsecondary workers felt overqualified, about one-third of those with a work stress score of three or higher, and 39% of those who thought they would be laid off in the next year, felt overqualified. Furthermore, management and professional workers were significantly more likely to feel overqualified if they had a work stress score of three or more, or if they thought they were very likely to be laid off, even though people in these occupations are typically less likely than others to feel overqualified.

Income is also a key indicator of overqualification: the lower the personal income, the greater the likelihood that a worker feels overqualified.

	Postsecondary workers	
	All	Feel overqualified %
Total	100	25
Occupation	100	
<i>Manager/professional</i>	48	16
Clerical/sales/service	30	36*
Blue collar	11	36*
Technologists, technicians and technical	10	23*
Type of work	100	
<i>Full-year, full-time¹</i>	81	23
Part-year, full-time	10	36*
Full-year, part-time	6	32*
Other	2	30
Self-employed or employee	100	
<i>Employee</i>	83	26
Self-employed with no employees	10	21*
Self-employed with employees	7	14*
Level of stress in the work environment (possible scores: 0–8)	100	
0	37	23
1	31	22
2	19	27*
3 or higher	13	34*
How likely do you think you are to lose your job or be laid off in the next year?	100	
<i>Very unlikely</i>	80	23
Somewhat unlikely	11	27
Somewhat likely	5	33*
Very likely	4	45*
In the past five years, how much has your work been affected by the introduction of computers or automated technology?	100	
<i>Greatly</i>	52	22
Somewhat	22	24
Hardly/not at all	26	31*
Annual personal income	100	
<i>Less than \$40,000</i>	33	35
\$40,000–\$79,999	32	18*
\$80,000 and over	9	11*
Don't know/not reported	25	26*
Relationship between job and education	100	
<i>Closely related</i>	61	16
Somewhat related	18	30*
Not related	22	45*

* Statistically significant difference between this characteristic and that of the reference group in italics at the 90% confidence level.

1. Worked mostly 30 hours or more per week for 49 to 52 weeks in the reference year.

Note: Includes people aged 20 to 64 with a postsecondary degree, certificate or diploma whose main activity during the previous 12 months was working.

Source: Statistics Canada, General Social Survey, 2000.

Generally, a mismatch between job and education has a negative effect on the earnings of postsecondary workers. A 2002 Canadian report confirms the conclusions of earlier studies showing that “earnings depend crucially on the match between schooling and occupation, not on schooling alone.”⁸ As a result, low-paying clerical, sales and service or blue-collar jobs are the ones that postsecondary graduates are most likely to feel overqualified for.

Summary

Overqualification has a psychological dimension. Subjective indicators of overqualification, such as the self-reporting surveys used in this article, capture workers’ perceptions of loss of opportunity.

The percentage of postsecondary workers who felt overqualified increased slightly between 1994 and 2000. Young people remain the group most likely to feel so. Postsecondary workers in blue-collar or clerical, sales and services jobs, as well as those who experienced high job stress or felt they were likely to be laid off, also had overqualification rates above the average.

8. Boothby. 2002. p. 28.



Susan Crompton is Editor-in-Chief of *Canadian Social Trends*.